DOCUMENT RESUME

ED 432 418 RC 021 674

AUTHOR Cluck, Rodney E.; Beaulieu, Lionel J.; Barfield, Melissa A.
TITLE To the Educated, the Spoils: The Relation of Education to Labor Market Experiences of Young Adults.
PUB DATE 1998-08-00
NOTE 31p.; Paper presented at the Annual Meeting of the Rural Sociological Society (61st, Portland, OR, August 5-9, 1998).
PUB TYPE Reports - Research (143) -- Speeches/Meeting Papers (150)
EDRS PRICE MF01/PC02 Plus Postage.
DESCRIPTORS *Education Work Relationship; *Educational Attainment; *Employment Patterns; High Schools; Higher Education; *Labor Market; Minority Groups; Quality of Working Life; Rural Urban Differences; *Social Stratification; *Young Adults
IDENTIFIERS Dual Labor Market Theory; High School and Beyond (NCES)

ABSTRACT

This paper examines the transition of young adults from school to work over time and the role of education in facilitating the entry of individuals into high quality jobs in the primary labor market. A dual labor market perspective argues that the labor market is structured into primary and secondary sectors ("good" and "bad" jobs), that mobility between sectors is very limited, and that placement in either sector is related to structural inequalities. Substantial evidence suggests that labor market characteristics are influenced by location (urban versus rural). High School and Beyond data on approximately 15,000 young adults who graduated from high school in 1982 and were followed up through 1992 were analyzed to examine the relationships among workforce experiences, educational attainment, and various sociodemographic indicators. Results indicate that most people with a bachelor's degree or higher worked in primary sector jobs, while few individuals with a high school diploma or less held such jobs. However, access to primary sector jobs was also determined by urban-rural location, U.S. region, race/ethnicity, and gender. People who attended a rural high school, people from the South, Blacks, Hispanics, and females were more likely to work in the secondary labor market. Compared to those in primary sector jobs, persons working in the secondary sector had lower income, more spells of unemployment, more job training, and lower job satisfaction. Contains 38 references and 7 data tables. (SV)

****
* Reproductions supplied by EDRS are the best that can be made *
* from the original document. *
****

ED 432 418

To the Educated, the Spoils: The Relation of Education to Labor Market Experiences of Young Adults

Rodney E. Cluck
Department of the Interior, Minerals Management Service
Environmental Division
Environmental Studies Branch
381 Elden Street, MS2400
Herndon, VA 20170

Lionel J. Beaulieu
Southern Rural Development Center
Mississippi State University
Box 9656 Mississippi State, MS 39762

Melissa A. Barfield
Southern Rural Development Center
Mississippi State University
Box 9565 Mississippi State, MS 39762

U.S. DEPARTMENT OF EDUCATION
Office of Educational Research and Improvement
EDUCATIONAL RESOURCES INFORMATION CENTER (ERIC)
✓ This document has been reproduced as received from the person or organization originating it.
☐ Minor changes have been made to improve reproduction quality.
• Points of view or opinions stated in this document do not necessarily represent official OERI position or policy.

PERMISSION TO REPRODUCE THIS MATERIAL HAS BEEN GRANTED BY
Rodney E. Cluck
TO THE EDUCATIONAL RESOURCES INFORMATION CENTER (ERIC)

RC 021674

Paper presented at the 61th Annual Meeting of the Rural Sociological Society
Portland, Oregon: August 5-9, 1998.

BEST COPY AVAILABLE

To the Educated, the Spoils: The Relation of Education to Labor Market Experiences of Young Adults

Rodney E. Cluck
Department of the Interior,
Minerals Management Service
Environmental Division
Environmental Studies Branch
381 Elden Street, MS2400
Herndon, VA 20170

Lionel J. Beaulieu
Southern Rural Development Center
Mississippi State University
Box 9656 Mississippi State, MS 39762

Melissa A. Barfield
Southern Rural Development Center
Mississippi State University
Box 9656, Mississippi State, MS 39762

Abstract

Educational Attainment has been historically a key factor influencing the labor force success of individuals. This paper seeks to examine the specific experiences of a cohort of young adults who had been part of a 12-year longitudinal study titled, *High School and Beyond*. Specifically, it seeks to determine the transition of participants from school-to-work over time and the role that educational attainment plays in facilitating the entre of individuals into high quality jobs present in the locality's primary labor market.

The paper utilizes detailed information collected over the course of ten-years (1982-1992) on some 15,000 individuals who completed high school in 1982. Detailed information on post-secondary education activities, workforce experiences, income, and employment/unemployment experiences of study participants along with socio-demographic indicators such as race/ethnicity, gender, region and spatial location are detailed. The results offer guidance on policy options for facilitating workforce preparation activities.

Introduction

Studying labor force experiences as they relate to education allows for a structural analysis by focusing on the organization of opportunity. Therefore, it is important to examine educational attainment as it relates to labor force experiences within the historical context of education in the United States. Historically, levels of educational attainment have been far from equal. It has been shown by several authors that inequalities arise within the educational system, in turn, forcing less educated individuals to be consumed by lower levels of employment. Those in the lower levels of the labor market have very little chance of ever securing higher level employment (Bealieu, Israel and Cluck 1998). Given the importance of a skilled, well-educated workforce, pursuing academic achievement is of vital importance if America is to improve it's workforce. The authors of, *Workforce 2020: Work and Workers in the 21st Century*, claim that the single most important strategy in improving America's workforce is to improve education at the primary and secondary levels (Johnston and Packer 1987) in order to improve workers skills and compete for decent jobs in the marketplace.

This mode of thought represents the human capital model of inequality where workers' investment in education plays a key role in increasing his/her stock of human capital, and in turn, being a determinant variable in their productivity. The human capital view of education contends that it imparts valuable skills and training that directly enhance ones's potential to be effectively trained while employed; highly skilled workers may have more mental and social skills that facilitate on the job training (Sakamoto 1988).

Educational Attainment

The educational opportunity literature in the United States is dominated by one idea; educational opportunity, provided through local communities, allows for equal opportunity through facilities with open and free access to all (Coleman 1990). Thus, as long as communities provide the same resources for all residential distributions, then the ideal of equal educational opportunity is not difficult to implement. However, criticisms have arisen about the applicability of this philosophy. Within this context, "questions about the distribution of resources arise, questions about the concentration of the best teachers in certain schools– and even questions about the educational resources provided by classmates, which might make the experience of a child in a lower-class school quite different from that of a child in a middle class school- even if all other things about the school were alike" (Coleman 1990: 156). Therefore, the question of equality is one of equal resources and certain individuals *are* at risk in their respective communities because of the resource base.

There are many reasons for this unequal distribution of resources. First, research indicates that the contextual setting of schools can influence achievement of students (Stockard and Mayberry 1992). It has been suggested that students from higher socioeconomic status families are more likely to realize higher achievement (Blau 1960; Coleman 1966). Second, school type may also influence academic performance. Coleman (1966) has demonstrated that private high school students were more likely to achieve higher levels of academic achievement than their public school counterparts, even when socioeconomic status was controlled (Coleman 966; Coleman and Hoffer 1987). Third, school size has also been shown to be an issue in

academic performance. Some suggest that larger schools are likely to be affective since they are positioned in a more varied and richer environment (McDill and Rigsby 1973). However, others suggest that smaller schools are better in that they have a lower student-teacher ratio, thus teachers can meet the needs of the student better (Gregory and Smith 1987). In any case, these issues boil down to structural issues where certain groups in society become disadvantaged due to certain characteristics such as race/ethnicity, spacial location and regional differences, in turn, putting certain individuals at risk.

In addition to the individual consequences of the structural distribution of resources, there is also a cost to the local community. The benefits of a better education are to a large extent lost to a community when local employment opportunities for the educated are limited to certain individuals. This may lead to out-migration of local people with highly developed capabilities. "When educated local people migrate to other communities, the value of their direct economic contributions is largely lost. Of equal or greater long-run importance, their potential contributions to support for improved schools (and possibly community services) is also lost" (Smith and DeYoung 1992: 30).

Although the educational system in the United States is seen as working outside the social class system this rarely is the case. It is obvious that the percentage of students being prepared for higher level occupations has been stratified to large extent with biases in race/ethnicity, social class, region and spacial location. This calls for an even greater and more extensive examination of the relationship of education to labor market experiences of young adults in order to identify those individuals who are at risk, because "if people experience risk as real, they are real in there consequences" (Beck 1992: 77).

Labor Market Experiences

Assessing the educational experiences in the labor market is one of the most established way of identifying people at risk. Additionally, within the labor market itself, it is important to have a breakdown of such a market structure. As suggested by Piore (1969), the dual labor market structure is the best theory to use in this type of analysis in order to determine the occupational successes of individuals from diverse backgrounds. This structure is broken down into the primary and secondary labor market sectors. The central thesis of the dual labor market perspective is that jobs are located in either primary or secondary labor markets (Doeringer and Piore 1971; Piore 1969). A sampling of key attributes associated with primary sector jobs is that employment tends to be stable and secure, wages are high, the working conditions are good, workers are punctual and dependable, investment in employee training is extensive, and worker turnover is low. While primary sector jobs generally have entry level requirements, once hired, the existence of internal labor markets accords workers the opportunity for upward mobility (Althauser and Kalleberg 1981; Beaulieu and Mulkey 1995; Doeringer and Piore 1971).

Secondary labor market jobs, on the other hand, offer workers few if any opportunities for advancement given that internal labor markets are rarely present. Further, employment is unstable and jobs are insecure. Requirements for gaining entry into these positions are virtually non-existent. Both wages paid and working conditions tend to be poor. As a consequence, worker turnover, absenteeism, and tardiness are extensive (Althauser and Kalleberg 1981; Beaulieu and Mulkey 1995).

In large part, placement into either of the above labor markets is due to structural inequalities. Wealthier people, due to class status or educational opportunities are able to secure work in the primary sector while poorer people end up securing work in the secondary market because of their lack of wealth and their lack of educational opportunities. Nonetheless, wage rates are characteristics of jobs--not of people. Rather, they are heavily influenced by institutional forces which preserve relative wage differentials (Sorensen and Kalleberg 1994). Therefore, there are relative constraints on growth in earnings for individuals who do not have the education and training necessary for them to climb the hierarchical ladder.

Indeed, dual labor market advocates (Gordon 1972; Rumberger 1981) note that mobility between primary and secondary labor markets is generally difficult. Because of limited training, irregular work histories, and inadequate job experiences, secondary sector workers lack the credentials to gain entrance into the primary labor market-based jobs. This lack of access can also be attributed to such factors as gender and race/ethnicity. Evidence suggests that women, rural residence and racial/ethnic minorities tend to have poor jobs located in the secondary sector of the labor market and few are accorded access to primary occupations over time (England 1992; Glasgow et al. 1993; Marshall and Briggs 1989).

Considering that most people's daily lives occur within certain limited areas, their labor force activities also take place within these circumscribed locations. Thus, place of residence becomes a determining factor in their labor force experiences. "For most people, a local labor market area is a location bounded by residence and employment, which also defines potential residential and employment opportunities. In other words, economic opportunity for the individual is determined by what is available in the area in the form of amount, type and wages of employment, as well as other socioeconomic factors (e.g., population characteristics, educational facilities, cultural traits) that can influence the availability of employment and the chances of obtaining it for different groups of people" (Singlemann and Deseran 1993: 59). Therefore, it is important to examine to labor market experiences in terms of geographical location while taking into consideration various socio-demographic characteristics.

Substantial evidence indicates that labor market characteristics are influenced, in part, by their spatial location. Killian and Beaulieu (1995), for example, suggest that urban labor markets often attract employers seeking workers with strong analytical, creative, and organizational skills. Rural labor markets, on the other hand, seem to interest employers seeking cheap labor for the performance of routine, simplified activities (Killian and Beaulieu 1995). Jensen (1994) found that nonmetro workers are more inclined to be employed in secondary occupations vis a vis workers in metro and in central cities. And, according to Falk and Lyson (1993), rural labor market workers generally fare worse than employees situated in urban labor markets on most indicators of social and economic health, such as earnings, educational requirements, and job quality.

Therefore, although people can acquire certain skills it is not certain that these skills are a useful form of capital that can be part of a product of deliberate investment (Shultz 1971). People are, of course, the most important capital that exists in a post-industrial society. However, this capital is considered secondary in many cases. This is why education as a human capital investment is so important. It is clear that the role of education as a human capital indicator and the relationship this has to the labor force experiences of young adults must be investigated in greater detail (Beaulieu and Mulkey 1995).

Job Availability as a Consequence of Educational Attainment

Evidence suggests that approximately 50 percent of U.S. youth do not go to college upon completing high school (William T. Grant Foundation 1988; U. S. General Accounting Office 1991; U.S. Department of Education 1997). In years past, this fact raised little concern given that those individuals who did not attend college could move into the labor force by securing a job in the goods-producing sector of the economy. In many respects, these jobs paid decent wages for unskilled or semi-skilled laborers (Reich 1992).

However, the situation has shifted dramatically over the course of the last two decades. As Katz (1992) notes, the industrial and occupational distribution of U.S. employment has moved in the direction of favoring better-educated over less-educated workers. Three key forces serving as the underpinnings of this trend are: the globalization of our nation's economy, the introduction of new sophisticated computer technologies, and enhancements in the knowledge-intensive, problem-solving capability needed by workers (Judy and D'Amico 1997; Katz 1992; Reich 1992). These changed circumstances have led to major declines in jobs tied to the goods-producing industries of the U.S. -- a sector which has experienced a loss of well over a million jobs in manufacturing alone since 1989 (Reich 1992). In its place have come a host of new jobs in the service and retail sectors for non-college bound youth, but at wage rates well below those paid by manufacturing-based firms. Reich (1992: 39) asserts that "the proportion of 18-year olds, working full-time and making low wages soared from 22.9 percent in 1979 to 43.4 percent in 1990." Such structural shifts have had staggering consequences for young workers (William T. Grant Foundation 1988).

It is this increasing concern with the plight of young people with no plans to enter college that led the *William T. Grant Foundation Commission on Work, Family and Citizenship* to label these individuals "the forgotten half." These individuals face serious barriers in realizing a smooth transition from school to work and have few resources which can be tapped to assist them in their entrance into the work force (United States General Accounting Office 1991). Bailey and Merritt (1993) similarly noted:

> *While the college bound student has the help of a guidance counselor. . . young people who want to work after they graduate from high school are on their own. As a result, they often spend a few years drifting from one unskilled "youth" job to another. These "McJobs" are thought neither to require nor to teach skills.*

For many of these individuals, prolonged periods of unemployment are not uncommon. This is especially true among poor and minority youth as well as those living in America's large cities. The transition of young adults from school to career develops along three distinct phases. The first phase is the part-time and summer jobs that youth capture during their high school years. Once high school is completed, these individuals enter into a second phase in which work becomes the major focus of one's energies. Unfortunately, the type of jobs available to these individuals may be the same, or closely tied, to those which they were engaged in while in high school. The third and final phase is the "career" stage, one in which non-college youth realize some success in securing jobs that require a certain level of knowledge and skills and which provide reasonable compensation for these activities.

It is Hamilton's (1990) contention that the limited labor force experiences of youth who do not attend college during their early work careers is due, in large part, to the fact that these jobs are located in secondary labor markets. On the other hand, college-bound youth have the luxury of obtaining work in the primary labor market sector.

Objectives

A central objective of this article is to bring further understanding and clarification to the labor force experiences of young adults. Specifically, it seeks to secure answers to the following questions: (1) What is the nature of their labor market experiences -- which individuals are able to gain access to jobs in the primary labor market sector upon entrance into the work force? (2) To what extent does access to primary and secondary sector jobs differ by spatial location, region, race/ethnicity and gender? (3) Do their earnings and unemployment spells vary across market sectors? (4) How does job training and job satisfaction vary across market sectors? Answers to these questions are likely to shed needed light on the relation of education to labor market experiences of young adults.

Data and Methods

This paper seeks to examine the specific experiences of a cohort of young adults who have been part of a 12-year longitudinal study titled, *High School and Beyond*. Specifically, it seeks to determine the transition of participants from school-to-work over time and the role that educational attainment plays in facilitating the entre of individuals into high quality jobs present in the locality's primary labor market.

The paper utilizes detailed information collected over the course of ten-years (1982-1992) on some 15,000 individuals who completed high school in 1982. Detailed information on post-secondary education activities, workforce experiences, income, race/ethnicity, gender, spatial location, region and employment/unemployment experiences of study participants are detailed. The results offer guidance on policy options for facilitating workforce preparation activities.

The **HS&B** effort, which began in 1980, involved a stratified national probability sample of sophomore students enrolled in approximately 1,100 public and private schools across the United States. The questionnaire, administered on-site at the high schools, examined individual and family background characteristics, high school and work experiences, and students' future plans. Follow-up studies were conducted in 1982, 1984,1986 and 1992. A variety of data collection techniques were employed over the 1982-92 period of time. The 1982 methodology mainly involved group administration of instruments both on and off the school campus. The 1984, 1986 and 1992 surveys were completed using a combination of mail and telephone techniques. Nearly 15,000 students taking part in the 1980 baseline study were also participants in the four subsequent waves. The follow-up studies explored a variety of topics, including the students' occupational and educational aspirations, post-secondary school and work experiences, job earnings, and unemployment history (Sebring et al. 1987).

All occupations reported by non-college bound **HS&B** respondents in the 1982-86 waves were subsequently classified into one of four categories: (1) upper tier, primary labor market; (2) lower tier, primary labor market; (3) upper tier, secondary labor market; and (4) lower tier, secondary labor market. Decisions as to which tier and sector to categories jobs was guided by the labor market typology developed by Lorence (1987). A major strength of Lorence's work is that it offers an extensive listing of jobs falling into the upper and lower tiers of the primary and secondary labor markets.

Individual's race and ethnicity are examined given that research indicates that these factors may serve to facilitate or impede one's access to primary labor markets. Respondents' place of residence (i.e., rural, urban suburban) is considered given that the nature of labor markets can be influenced by their spatial location and regional variation.

As a result of information collected over the 1982-92 period of time, the status of participants' educational attainment was determined. For purposes of this study, individual's were placed into two categories, those who had attained an educational level of a Bachelor's degree of greater and those who had attained an educational level of a High School degree or less.

Findings

Educational Attainment and Labor Force Experiences

When educational attainment was referenced within the dual labor market typology, the dramatic nature of tier location becomes obvious. While merely 2.6 percent of respondents with less than a high school education fall into the upper tier of the primary labor market, 30 percent of individuals with a Bachelor's degree or higher wind down into this higher class tier (Table 1). There are also a large number of respondents, nearly three-quarters (74.9 percent), who have attained a high school degree or less which fall into the secondary labor market. Actually, those who managed to attain some college don't fair much better with nearly two-thirds confined to the secondary labor market (65.9 percent) (Table 1). Considering the extreme difference in those with a Bachelor's degree and their ability to penetrate the primary labor market versus those with less than a high school degree and their inability, a dichotomous educational breakdown was utilized to examine region, spatial location, race/ethnicity, job training, earnings and employment throughout the remainder of this study[1].

Region and Labor Force Experiences

Region was broken down into four categories (illustrated in Table 2) which represent the four major areas of the United States where respondents were residing in 1992. For those with a High School education or less, the smallest percentage of respondents who were able to attain work in the primary labor market were from the South (3.8 percent). In addition, the largest percentage of individuals who found themselves located in the secondary labor market were also from the South (77.6 percent). Therefore, it seems that people from the South with a High School degree or less are having a more difficult time penetrating the primary labor sector than those respondents located in other regions (Table 2).

Overall, respondents who have attained a Bachelor's degree or higher, of course, have had much greater success in penetrating the primary labor market, especially the upper tier of this sector (Table 2). However, when close examination is given to the secondary labor market it can be determined that respondents's from the South and the West have the lion's share of individuals confined to this market sector (Table 2).

Spatial Location and Labor Force Experiences

Spatial Location was determined by considering those respondents who attended high school's that were located in either urban, suburban or rural areas. This was then examined in reference to their labor force experience in 1992. The largest percentage of individuals gaining access to the primary labor market were those who went to high school in a suburban area (Table

---

[1] The classification used will consider those with a high school education or less (n=5222) and those with a Bachelor's degree or higher (n=5040).

Table 1: Educational Attainment by Labor Market Sector (Composite 1992)

	Primary Labor Market		*Secondary Labor Market*		
Jobs Held	*Upper Tier*	*Lower Tier*	*Upper Tier*	*Lower Tier*	*(n)*
Less Than High School					
	2.6	10.7	37.6	49.1	497
High School					
	4.7	20.4	47.2	27.7	4725
Some College					
	13.6	20.5	44.9	21.0	1938
Bachelor's or Greater					
	30.0	32.1	32.4	5.4	3102

BEST COPY AVAILABLE

Table 2: Region by Labor Market Sector (1992)

	Primary Labor Market		*Secondary Labor Market*		
Jobs Held	*Upper Tier*	*Lower Tier*	*Upper Tier*	*Lower Tier*	*(n)*
High School or Less					
East	4.5	20.7	48.2	26.5	1037
South	3.8	18.7	46.2	31.4	1767
North	4.7	18.5	44.3	32.5	1384
West	4.0	22.3	41.5	32.2	301
Bachelor's or Greater					
East	30.5	33.7	30.7	5.1	888
South	29.0	31.5	34.6	4.9	820
North	31.0	32.8	30.1	6.1	909
West	26.2	30.1	33.0	10.7	103

BEST COPY AVAILABLE

Table 3: Spatial Location by Labor Market Sector (1992)

	Primary Labor Market		*Secondary Labor Market*		
Jobs Held	*Upper Tier*	*Lower Tier*	*Upper Tier*	*Lower Tier*	*(n)*
High School or Less					
Urban	5.5	18.8	47.6	28.2	1263
Suburban	4.2	21.1	47.8	27.0	2474
Rural	4.0	21.1	42.8	35.8	1263
Bachelor's or Greater					
Urban	28.2	33.0	32.3	6.5	567
Suburban	29.7	32.2	33.1	5.0	1866
Rural	32.3	31.4	30.6	5.7	669

BEST COPY AVAILABLE

3). However, the percentages for urban and rural respondents are very close. Thus, there is not an overwhelming difference as spatial location is examined in reference with labor market sector.

Interestingly, the latter part of Table 3 suggests that rural respondents are having more success in penetrating the primary labor market sector than their urban or suburban counterparts. However, once again the percentages are very close and the likelihood of attaining employment in either the primary or secondary labor market could better be explained with the use of a more strenuous type of analysis as is performed later in this document.

Race/Ethnicity and Labor Force Experiences

When attention is given to race/ethnicity it is quite obvious from Table 4 that minorities are having the hardest time penetrating the primary labor market no matter their educational attainment levels. For example, over 80 percent of blacks with a High School degree or less end up in the secondary labor market sector compared to 76 percent of Hispanics and 75 percent of whites (Table 4). College educated minorities fare better; however, whites still maintain a slight edge in gaining access to the primary market sector (Table 4).

Job Training and Labor Force Experiences

Job training was explored two separate ways. First, it was examined by utilizing a variable which identified if respondents had experienced any job training from 1982 through 1992. Second, on-the-job training was identified and examined. The information presented in Table 5 suggests that the bulk of individuals in the primary labor market sector with a high school degree or less did not a have any job training from 1982 through 1992. In point of fact, neither did they receive on-the-job training. Many more individuals with a Bachelor's degree or higher received both types of job training which apparently aided in the penetration of the primary labor market.

Earnings/Unemployment and Labor Force Experiences

Comparing educational attainment and the mean number of months unemployed, those who had attained merely a high school education or less were unemployed more than those with a Bachelor's degree or higher (Table 6). This is especially dramatic if attention is focused on the lower tier of the secondary labor market. While those who had attained a Bachelor's degree were unemployed for an average of 4.57 months from the 1982-1992 period, those who had a High School degree or less were unemployed for an average of nearly 9 months. In addition to being unemployed for a greater number of months, individual's with a High School degree or less were also struggling to make ends meet with a salary well below the poverty level (Table 6).

Thus far the evidence presented in this paper indicates that certain groups of individuals appear to be disadvantaged in their labor market experiences. These groups include those with low educational levels, those from the South, and minorities. The analysis also suggests that job training and earnings are also associated with the labor force experiences of our cohort. To further examine and determine the likelihood of experiencing work confined to the secondary labor markets, a logistic regression analysis was utilized while taking into consideration all of the independent factors that have been discussed up to this point.

Table 4: Race/Ethnicity by Labor Market Sector (1992)

	Primary Labor Market		*Secondary Labor Market*		
Jobs Held	*Upper Tier*	*Lower Tier*	*Upper Tier*	*Lower Tier*	*(n)*
High School or Less					
Hispanic	4.5	19.7	48.9	26.8	946
Black	5.8	13.4	45.2	35.6	745
White	4.2	21.0	45.9	29.0	3218
Other	4.2	17.9	45.4	32.6	313
Bachelor's or Greater					
Hispanic	29.0	31.8	34.6	4.6	324
Black	26.3	31.9	33.7	8.0	323
White	30.2	32.5	32.2	5.0	2246
Other	35.4	28.7	29.2	6.7	209

BEST COPY AVAILABLE

Table 5: Job Training by Labor Force Sector (Composite 1992)

	Primary Labor Market		*Secondary Labor Market*		
Jobs Held	*Upper Tier*	*Lower Tier*	*Upper Tier*	*Lower Tier*	*(n)*
High School or Less					
Any Job Training Between 1982-92					
No	5.8	22.7	48.2	23.3	2842
Yes	2.9	15.6	44.0	37.5	2377
On-the-Job Training Between 1982-92					
No	5.1	24.6	48.4	21.8	2161
Yes	4.0	15.8	44.8	35.4	3055
Bachelor's or Greater					
Any Job Training Between 1982-92					
No	32.6	31.3	31.7	4.4	2502
Yes	19.1	35.7	35.8	9.4	597
On-the-Job Training Between 1982-92					
No	29.8	34.1	31.8	4.2	1913
Yes	30.3	28.9	33.5	7.3	1185

BEST COPY AVAILABLE

Table 6: Earnings and Unemployment by Labor Force Sector (Composite 1992)

	Primary Labor Market		*Secondary Labor Market*		
Jobs Held	*Upper Tier*	*Lower Tier*	*Upper Tier*	*Lower Tier*	*(n)*
High School or Less					
Any Job Training Between 1982-92					
	5.25	2.67	4.44	7.93	5222
Mean Income					
	9,363	12,400	9,085	7,112	5222
Bachelor's or Greater					
Any Job Training Between 1982-92					
	3.44	2.57	3.83	4.57	3102
Mean Income					
	13,957	16,107	11,384	8,143	3102

BEST COPY AVAILABLE

The Expected Likelihood of Attaining Work in the Secondary Labor Market

Based on the regression coefficients we will reject the notion that all logistic regression coefficients are equal to zero in the population from which these data were selected. The data are consistent with the contention that one or more of the selected independent variables has a statistically significant effect on the likelihood of attaining work in the secondary labor market.

Table 7 reports the expected likelihood of attaining work in the secondary labor market. Beginning with education, the data are consistent with the cross-reference tables in that if individuals have a Bachelor's degree or higher, this reduces the odds of not attaining work in the secondary labor market by a factor of .22 with a *t* statistic significant at the .01 level. The data also indicate that people who attended high school in a suburban or urban area are less likely to attain work in the secondary market than are those individuals who attended a rural high school. In addition, respondents residing in the East, North, and West are less likely to find themselves in the secondary labor market than those respondents from the South. However, neither spatial location nor region are significant.

When examining race/ethnicity it seems that both Hispanics and blacks are more likely to attain work in the secondary labor market than whites. The *t* statistics for Hispanics is not significant while the *t* statistic for blacks is significant at the $p<.05$ level. Gender is also significant at the $p<.05$ level, and indicates that females are 1.12 times more likely than males to be confined to the secondary labor market. The data are consistent with literature suggesting that as earnings increase the likelihood of attaining work in the secondary labor market lessons ($p<.01$). While on-the-job training is not significant in our model, job training between 1982 and 1992 is significant. For those receiving any job training between 1982 and 1992, the odds of attaining work in the secondary labor market increases by a factor of 1.42. This makes sense in that many working class individuals in the secondary labor market receive some type of job training before securing work unlike those with higher levels of educational attainment. When job satisfaction was considered each one standard deviation decrease in job satisfaction reduces the odds of attaining work in the secondary labor market by a factor of .9949 ($p>.01$). That is, those that are satisfied with their work are less likely to have attained work in the secondary labor market. Finally, as the number of months of unemployment increase respondents likelihood of securing work in the secondary labor market increases by a factor of 1.02 ($p>.01$).

Table 7: Linear Logistic Regression Model Giving the Effects of Selected Predictor Variables on the Expected Likelihood of Attaining Work in the Secondary Labor Market

Ind. Variable	*Log Odds*	*SE*	*t*	*R*	*Odds*
Education (High School or Less)					
College Degree	-1.4959	.0580	25.8002**	-.2694	.2240
Spacial Location (rural)					
Suburban	-.1178	.0665	1.7691	-.0111	.8889
Urban	-.1223	.0829	1.4758	-.0044	.8849
Region (South)					
East	-.1254	.0717	1.749	-.0108	.8822
North	-.0676	.0689	.9819	.0000	.9346
West	-.0580	.1327	.4371	.0000	.9436
Ethnicity (White)					
Hispanic	.0847	.0847	.1749	.0000	1.0149
Black	.0863	.0863	2.372*	.0199	1.2273
Gender (Male)					
Female	.1187	.0557	2.132*	.0167	1.1261

Table 7: Linear Logistic Regression Model Giving the Effects of Selected Predictor Variables on the Expected Likelihood of Attaining Work in the Secondary Labor Market

Ind. Variable	*Log Odds*	*SE*	*t*	*R*	*Odds*
Income					
Earnings	-.000016	.000002432	6.734**	-.0688	1.0000
Job Training					
Job training since between 1982-92	.3511	.0851	4.127**	.0405	1.4207
On the Job training	.0909	.0776	1.172	.0000	1.0952
Job Satisfaction					
Satisfied with job	-.0051	.0010	4.967**	-.0498	.9949
Unemployment					
# of months unemployed	.0192	.0037	5.169**	.0520	1.0194
Constant	1.3557	.1041	13.027**		

*p<.05
**p<.01

Conclusions

This article represents an effort to shed some light on the relationship of education and labor market experiences of young adults. While some have suggested that the transition from school to work is a difficult one at best (particularly in the early phases of their employment histories), limited empirical evidence has been put forth to lend substance to these claims.

Using the national **High School and Beyond** study data, our paper examined and put to a test a number of assertions with regard to this cohort and their chances of securing jobs in either primary or secondary labor markets. The key arguments advanced by these authors, and the results uncovered in this study, can be summarized as follows:

(1) **What is the nature of their labor market experiences -- which individuals are able to gain access to jobs in the primary labor market sector upon entrance into the work force?**

Individuals who are able to gain access into the primary labor market are those with a Bachelor's degree or higher. The odds of attaining work in the primary labor market is slim to none for respondents who have merely attained a high school degree.

(2) To what extent does access to primarily sector jobs differ by spatial location, region, race/ethnicity and gender?

Spatial location, region, race/ethnicity and gender are all determinant factors when considering access to the primary labor market. In summary it seems that people who attended a rural high school, people from the South, blacks and Hispanics and females are more likely to end up being employed in the secondary labor market. Therefore, the situation remains unchanged after several years of techniques derived in order to help these groups enhance their labor market experiences.

(3) Do young adults earnings and unemployment spells vary across market sectors?

Young adults earnings and unemployment spells do vary across market sectors with those who have less income and more unemployment spells being confined to the secondary labor market. Indeed, it is difficult to be mobile when confinement to 'bad' jobs are inevitable.

(4) How does job training and job satisfaction vary across market sectors?

Job training is an interesting factor when considering the plight of young adults. It appears that although young people may acquire some type of job training, whether that be on-th-job training or not, this is an indicator that these individuals will be working in the secondary labor market. Perhaps this is simply because most of the jobs in the secondary labor market require certain types of training. Whatever the case, those who are most satisfied and content with their position in the labor market are not those in the secondary sector. Individuals who are more satisfied with their jobs are less likely to be employed in the secondary labor market.

References

Aithauser, Robert P. and Arne L. Kalleberg. 1981 "Firms, occupations, and the structure of labor markets: A conceptual analysis." Pp. 119-49 in Ivar Berg (ed.), *Sociological Perspectives on Labor Markets.* New York: Academic Press.

Bailey, Thomas and Donna Merritt. 1993. *The School-to-Work Transition and Youth Apprenticeship: Lessons from the U S. Experience.* Manpower Development Research Corporation (March).

Beaulieu, Lionel J. and David Muikey. 1995. "Human capital in rural America: A review of theoretical perspectives." *Pp.3-21* in Lionel J. Beaulieu and David Mulkey (eds.), *Investing in People: The Human Capital Needs of Rural America.* Boulder, CO: Westview Press Rural Studies Series.

Beaulieu, Lionel J., Glenn D. Israel and Rodney E. Cluck. 1998. "Non-College Bound Youth: their Background Characterstics and Labor Force Experiences. *Paper presented at the Southern Sociological Association.* Little Rock, AR.

Beck, Ulrick. 1992. *Risk Society: Towards a New Modernity.* Sage Publications, London.
Doeringer, P. and M. Piore. 1971. *Internal Labor Markets and Manpower Analvs is.* Lexington, MA: Heath.

Blau, Peter M. 1960. "Structural Effects." *American Sociological Review*. 25: 178-193.

Coleman, James S. 1990. *Equality and Achievement in Education.* Westview Press. Boulder CO.

Coleman, James S. 1966. *Quality and Educational Opportunity.* Washington D.C.: U.S. Office of Education.

Coleman, James S. and Hoffer, Thomas. 1987. *Public and Private High School, The Impact of Communities.* Basic Books, Inc: New York.

Doeringer, P. and M. Piore. 1971. *Internal Labor Markets and Manpower Analvs is.* Lexington, MA: Heath.

England, Paula. 1992. *Comparable Worth: Theories and Evidence.* New York: Aldine de Gruyter.

Falk, William W. and Thomas A. Lyson. 1993. "Restructuring local labor markets: Lessons from the 1980s, an agenda for the 1990s." Pp.257-77 in Joachim Singelmann and Forrest A. Deseran (eds.), *Jne qualities in Labor Market Areas.* Boulder, CO: Westview Press.

Gregory, T.B. and G.R.Smith. 1987. *High Schools as Communties: The Small School Reconsidered.*, IN. Phi Delta Kappa Educational Foundation.

Glasgow, Nina, Karen Holden, Diane McLaughlin, and Graham Rowles. 1993. "The rural elderly and poverty." Pp.259-91 in *Persistent Poverty in Rural America.* Rural Sociological Society Task Force on Persistent Rural Poverty. Boulder, CO: Westview Press.

Gordon, D. M. 1972. *Theories ofpoverty and Underemployment.* Lexington, MA: Heath.

Hamilton, Stephen F. 1990. *Apprenticeship for Adulthood: Preparing Youth for the Future.* New York: The Free Press.

Jensen, Leif. 1994. "Employment hardship and rural minorities: Theory, research, and policy." *The Review ofBlack Political Economy* 22 (4): 125-44

Johnston, William B. and Arnold E. Packer. 1987. *Workforce 2000: Work and Workers for the 21st Centuiy.* Indianapolis, IN: Hudson Institute.

Katz, Lawrence F. 1992. "Prepared statement of Lawrence F. Katz." *High-Wage Jobs in a Competitive Global Economy Hearing Before the Joint Economic Committee,* Congress of the United States (September 16): *30-35.*

Judy, Richard W. and Carol D'Amico. 1997. *Workforce 2020: Work and workers and Workers in the 21st Century.* Indianapolis, IN: Hudson Institute.

Killian, Molly Sizer and Lionel J. Beaulieu. 1995. "Current status of human capital in the rural U.S." Pp.23-46 in Lionel J. Beaulieu and David Mulkey (eds.), *Investing in People: The Human Capital Needs of Rural America.* Boulder, CO: Westview Press Rural Studies Series.

Lorence, Jon. 1987. "Gender differences in occupational labor market structure." *Work and Occupations* 14: 23-61.

Machlup, Fritz. 1982. "Issues in the Theory of Human Capital: Education as Investment". *The Pakistan Development Review*. 21:1.

Marshall, Ray and Vernon M. Briggs, Jr. 1989. *Labor Economics: Theory, Institutions, and Public Policy* Homewood, IL: Richard D. Irwin, Inc.

McDill, E. L. and L.C. Rigsby. 1973. *Structure and Process in Secondary Schools.* Baltimore, MD: John Hopkins University Press.

Piore, Michael J. 1969. "On the Job Training in a Dual Labor Market." Pp. 110-113 in Arnold R. Weber, Frank H. Cassell and Woodrow L. Ginsburg (eds.), *Public-Private Manpower Policies.* Madison WS: Industrial Relations Research Association.

Reich, Robert B. 1992. "Prepared statement of Robert B. Reich." *High-Wage Jobs in a Competitive Global Economy Hearing Before the Joint Economic Committee,* Congress of the United States (September 16): 38-42.

Rumberger, Russell W. 1981. *Overeducation in the US. Labor Market.* New York: Praeger Publishers.

Sakamoto, Arthur. 1988. "Labor Market Structure, Human Capital, and Earnings Inequality in Metropolotan Areas". *Social Forces*, Sept.

Sebring, Penny, Barbara Campbell, Martin Glusberg, Bruce Spencer, Melody Singleton, and Marcia Turner. 1987. *High School and Beyond 1980 Senor Cohort Third Follow-Up (1986) Data File User '5 Manual.* Center for Education Statistics, U.S. Department of Education (October).

Shultz, Theodore W. 1971. *Investment in Human Capital: The Roel of Education and of Research.* The Free Press, New York.

Singlemann and Deseran. 1993. *Inequalities in Labor Market Areas.* Westview Press. Boulder CO.

Smith, Elden D. and , Alan J. DeYoung. 1992. "Exploratory Studies of Occupational Strucutre of the Workforce and Support of Public Education in Rural Appalachia." *Southern Rural Development Center.*

Sorenson, Aage B. and Kalleberg, Arne L. 1994. "An Outline of a Theory of the Matching of Persons to Jobs". Pp. 362-369 in David B. Grusky (eds.). *Social Stratification.* Westview Press. Boulder CO.

Stockard, Jean and Mayberry, Maralee. 1992. *Effective Educational Environments*. Newbury Park. CA: Corwin Press Inc.

U.S. Department of Education, National Center for Statistics, *National Longitudinal Study of the High School Class of 1972 (NLS-72),* First Follow-up (1974); *High School and Beyond* (HS&B) study, Senior Cohort, Third Follow-up Survey (1986); and *National Education Longitudinal Study of 1988* (NELS: 88), Second (1992) and Thrid Follow-up (1994).

U.S. General Accounting Office. 1991. *Transition from School to Work: Linking Education and Worksite Training.* Report to Congressional Requesters, GAO/HRD-9 1 - 1 Os (August).

William T. Grant Foundation. 1988. *The Forgotten Half Pathways to Success for America 's Youth and Young Families.* Commission on Work, Family, and Citizenship (November).